1983 Annual Report

PUBLIC UTILITIES BOARD

of the Northwest Territories

Northwest Territories

Public Utilities Board
Annual Report

For the year ending
December 31, 1983

John H. Parker
Commissioner
Government of the Northwest Territories
Yellowknife, N.W.T.

Sir:

The undersigned takes pleasure in submitting the Annual Report of the Northwest Territories Public Utilities Board for the calendar year ending December 31, 1983.

Respectfully submitted,

Tagak Curley
Minister for Energy, Mines
and Resources Secretariat

The Honourable Tagak Curley
Minister for Energy, Mines
and Resources Secretariat

Sir:

I have the honour to present the report of the activities of the Northwest Territories Public Utilities Board for the calendar year ending December 31, 1983.

Respectfully submitted,

Jack Heath
Chairman
Public Utilities Board

Organization of the Board

The Board

Chairman	Jack Heath (Inuvik)
Vice-Chairman	Beulah Phillpot (Yellowknife)
Member	Archie Bevington (Fort Smith)
Member	Vacant
Member	Vacant

Board Staff

Executive Secretary	Dale S. Thomson
Regulatory Clerk	Sylvia J. Turner
Senior Legal Counsel — Energy	Jeffrey G. Gilmour Department of Justice & Public Services
Consultants	Stephen Johnson Chartered Accountants — W. G. Stephen
	I. D. Engineering Co. Ltd. Director — Utility Regulation Lawrence F. Schmidt, P. Eng.

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Public Utilities Board Decisions In Summary — 1983

Decision 1-83 February 1, 1983

Proposed	Ordered
I.C.G. Utilities (Plains Western) for increase in existing rates, tolls and charges for electrical energy supplied to its customers effective January 1, 1983.	The Board approved this application to be effective March 1, 1983. The application for a surcharge was denied. The period of time after accounts to customers are rendered before being due and payable was increased from 14 to 21 days.

Decision 2-83 February 28, 1983

Proposed	Ordered
N.C.P.C. proposal to increase rates, tolls and charges to N.W.T. customers effective April 1983 billing cycle.	Approval of rate structure as submitted by N.C.P.C. was approved on an interim basis effective April 16, 1983. A final order will be issued following public hearings to be held at a later date. This date to be determined by the completion of N.E.B. Hearings and a review by the Minister.

Decision 3-83 April 26, 1983

Proposed	Ordered
An application by I.C.G. (Plains Western) for changes in existing rates, tolls and charges for electrical energy supplied to its customers effective January 1, 1983.	Approved to be effective as of March 1, 1983.

Decision 4-83 May 20, 1983

Proposed	Ordered
A proposal by I.C.G. (Plains Western) for changes in existing rates, tolls and charges to its customers effective with the April 1983 billing cycle.	Approval on an interim basis was granted for schedules A to F effective April 11, 1983. Final order will be implemented after a public hearing to be held in the City of Yellowknife at a later date to be set by the Board.

Decision 5-83 June 23, 1983

Proposed	Ordered
A proposal by Alberta Power Ltd. to alter the Franchise Agreement with the Town of Hay River to transfer Franchise Agreement from Alberta Power Ltd. to Northland Utilities (Northwest Territories) Ltd.	Approved effective June 23, 1983 for the term of the Franchise Agreement.

The Board

The Public Utilities Board is empowered pursuant to Territorial Legislation (Public Utilities Ordinance, 1974, Chapter P-17) as amended.

The primary objective of a public utilities regulatory board is to protect the utility customers from monopolistic exploitation by a utility while concurrently ensuring that the utility maintains its financial integrity. Customers simply want reliable and adequate service on a continuing basis at rates that are minimum, fair, understandable and bear a reasonable relationship to the disposable income of the household or enterprise.

Because of the complexities of the economic, social and political considerations that must be blended to arrive at an appropriate charge to the many classes of customers in the N.W.T., it is imperative that all interested parties participate fully in the rate hearings.

Specialists are required to assess the many economic and technical aspects of utility operation against established principles that have been developed through the years. Nevertheless, the process is dynamic and must recognize the short and long term effects of rate design decisions.

It is imperative that we in the N.W.T. evaluate and learn from the chaotic economic conditions of the past ten years. Throughout North America, electric utilities are in a state of transition. A return to relative stability will depend on the extent to which utilities, regulators and governments seek out appropriate and innovative technologies that will enhance the potential of the North.

Regulated Utilities

Presently the Board regulates three utilities:

Northland Utilities (N.W.T.) Ltd.
Head Office: Hay River, N.W.T.

I.C.G. Utilities (Northwest Territories) Ltd.
Head Office: Leduc, Alberta

Northern Canada Power Commission
Head Office: Edmonton, Alberta

1983 In Summary

The major influence affecting the Public Utilities Board operations in 1983 was the National Energy Board hearings into the Northern Canada Power Corporation structure, rates and operation. A submission to the N.E.B. Order *I* EHR-1-83 by the Government of the Northwest Territories was filed in May 1983. The N.W.T. Government Minister responsible for the P.U.B., the Honourable R. Nerysoo issued a press release on November 3, 1983 stating that the N.E.B. report as presented was unacceptable. The P.U.B. is anxiously awaiting the final decision of the Minister of Northern Affairs, the Honourable J. Munro. As of December 31, 1983, N.C.P.C. has indicated they will not attend rate hearings of the N.W.T. P.U.B. They also indicated there will be an increase in rates charged to its customers in 1984.

A first for the P.U.B. was the receipt of applications by Northland Utilities (N.W.T.) Ltd. and I.C.G. (Northwest Territories) Ltd. to provide a franchise agreement to supply natural gas to the Municipalities of Hay River and Pine Point. Preliminary in camera hearings were held in Hay River on December 15, 1983. A comparison of these applications will be provided to the Minister in early 1984.

The Board has been involved in litigation with the Town of Hay River concerning the rate of franchise tax being levied in that town. This matter is still before the Supreme Court of the Northwest Territories but should be resolved in early 1984.

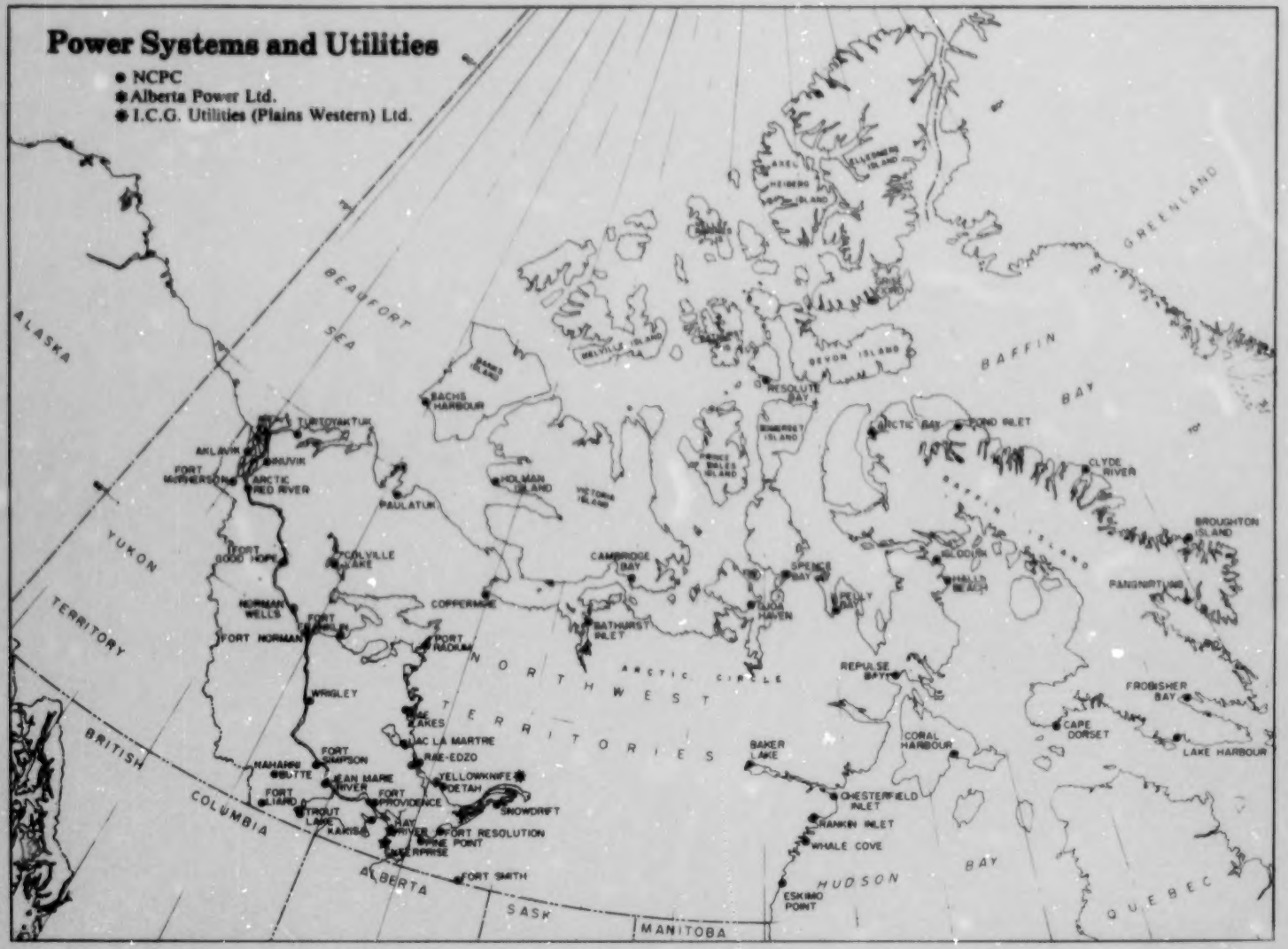
A Look Ahead — 1984

On looking ahead, the Board is sure its work will not be less but more. With the filling of the two vacant positions, greater representation of the Northwest Territories will be assured.

We look forward to the finalization of the dilemma concerning regulation of the N.C.P.C. The Board is committed to the concept that all utilities supplying electrical service in the N.W.T. should be regulated by N.W.T. Public Utilities Board, representatives of those consumers being served.

With receipt of the applications for the supply of natural gas to N.W.T. Municipalities, a new energy era has started in the N.W.T.

The need for regulation of energy and energy resources including exploration for, production, development, conservation, control transportation, transmission, use and marketing now appears necessary. The delineation of the P.U.B.'s responsibilities, if any, prior to establishing rates is anticipated during review of the **Public Utilities Ordinance.**


Power Systems and Utilities
• NCPC
* Alberta Power Ltd.
* I.C.G. Utilities (Plains Western) Ltd.
ALASKA
BEAUFORT SEA
YUKON TERRITORY
BRITISH COLUMBIA
ALBERTA
SASK
MANITOBA
NORTHWEST TERRITORIES
ARCTIC CIRCLE
HUDSON BAY
BAFFIN BAY
GREENLAND
QUEBEC
BAFFIN ISLAND
AXEL HEIBERG ISLAND
ELLESMERE ISLAND
MELVILLE ISLAND
BANKS ISLAND
PRINCE PATRICK ISLAND
PRINCE ALBERT ISLAND
VICTORIA ISLAND
KING WILLIAM ISLAND
SOMERSET ISLAND
BOOTHIA PENINSULA
DEVON ISLAND
RESOLUTE BAY
BACHS HARBOUR
HOLMAN ISLAND
PAULATUK
TUKTOYAKTUK
AKLAVIK
INUVIK
FORT MCPHERSON
ARCTIC RED RIVER
FORT GOOD HOPE
CARLYLE LAKE
NORMAN WELLS
FORT NORMAN
COPPERMINE
CAMBRIDGE BAY
BATHURST INLET
SPENCE BAY
GJOA HAVEN
TALOYOAK
PELLY BAY
BLOODY FALLS
ARCTIC BAY
POND INLET
CLYDE RIVER
BROUGHTON ISLAND
PANGNIRTUNG
REPULSE BAY
FROBISHER BAY
CAPE DORSET
LAKE HARBOUR
CORAL HARBOUR
BAKER LAKE
CHESTERFIELD INLET
RANKIN INLET
WHALE COVE
ESKIMO POINT
FORT FRANKLIN
FORT NORMAN
WRIGLEY
GREAT SLAVE LAKE
LAC LA MARTRE
RAE-EDZO
NAHANNI BUTTE
FORT SIMPSON
JEAN MARIE RIVER
FORT LIARD
FORT PROVIDENCE
TROUT LAKE
KAKISA
YELLOWKNIFE
DETAH
SNOWDRIFT
FORT RESOLUTION
PINE POINT
FORT SMITH